

Kirklees Directorate for Children & Young People

Company no: 07729878

THE BOARD OF DIRECTORS OF SHARE MULTI ACADEMY TRUST

Minutes of the meeting of the Audit & Risk Assurance (A&RA) Committee held at 5:30pm via Microsoft Teams on Thursday 26 November 2020.

Present

Mr M Dunkley (Chair), Mrs M Campbell, Mrs D Howard (Director of Operations), Mr J McNally (Chief Executive Officer), Mrs E Lewis, Mr P Marshall, Mrs C Potterton (Director of Finance), Mr V White, Ms K Wallett

In Attendance

Mr D Butterworth (Auditor) - part

Agenda Item	Discussion and Decisions	Action who/by –
287.	<p>Apologies, consent and declarations of LAAPs and interests</p> <ul style="list-style-type: none"> The Chair welcomed all to the meeting and introductions were completed. There were no apologies for absence. Mr Dunkley declared an interest as his wife works for SHARE Multi-Academy Trust (the Trust). 	
288.	<p>Annual Report and Accounts for the period ended 31.8.20</p> <p>The Annual Report and Accounts and Financial Statements had been circulated before the meeting.</p> <p>Mrs C Potterton updated the meeting.</p> <ul style="list-style-type: none"> There are some differences to previous years under the Trustees Report. There are no exam results this year. There are also some new reporting requirements. New reporting requirements include engagement with employees, engagement with suppliers, promoting the organisation and energy and carbon emissions. 	

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	<ul style="list-style-type: none"> • Royds and Thornhill joined the trust on 1.11.18 (hence 10 months reporting included in 2018-19 accounts) <p>Mr D Butterworth summarised the Accounts and Financial Statements for the meeting.</p> <ul style="list-style-type: none"> • The format is unchanged from last year. • The Independent Auditors Report opinion is unqualified with a clean Audit Report. • The Assurance Report is unqualified and clean. • Year on year comparison is difficult due to conversions in 2018/19. Income and expenditure have both increased. • The overall net deficit is £5m. The brought forward reserves were £50m and carry forward reserves are £45m. This picture is comparable to other Trusts. • Net Current Assets are £3m. • Net Reserves are circa £45m. • Cash at bank is all at Lloyds Bank. There should be some consideration of spreading this to other banks to avoid risk. • Fixed assets and depreciation charges were summarised. It was noted that depreciation is not a cash cost. • It was agreed that the detail under note 18 should be deleted as not relevant this year. • It was noted there is no actuarial aspect to the Teachers Pension Scheme. • The only significant audit adjustment was for pensions which is based on actuarial reports. Other items were not material and mostly related to timing. • Internal Audit work has been performed on Procurement and Purchase Ledger. No red flag items were noted and Amber and Green items are being looked at but there is nothing significant. • It was noted that Nick Wilson is no longer a governor and the related Party Transaction can be removed. <p>Q. How has good quality training and coaching happened during the Covid restrictions?</p> <p>A. Schools and support services have supported staff. Trust wide meetings continue to take place using MS Teams and Group meetings take place for Quality Assurance and Behaviour. Staff Induction has continued.</p>	

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	<p>Q. Will nursery numbers impact on future roll numbers in the Primary phase?</p> <p>A. There has been a reduction in expected reception class numbers for September 2021 but we are hoping these will improve in the new year. Further updates will be provided to Directors and Members. There has been a reduction in birth rates in the LA and some other factors contributing to the reduction.</p> <p>Q. Why do individual schools have their own Vision and Values statements?</p> <p>A. This is to allow some schools to retain identity in the transition period. The Trust values will be increasingly seen as websites get updated.</p> <p>Q. Does the Trust have a strategy for growth and where does the Trust see itself in 3 years?</p> <p>A. We do have a partnership agreement with Whitcliffe Mount School. There is scope for another secondary school to join the Trust or a cluster of primary schools. There has been an impact of Covid on progressing with strategic plans.</p> <p>Q. Do Key Risks look as expected and are they aligned to the Risk Register?</p> <p>A. Yes they are.</p> <p>Q. Should Transfer of funds to an interest account be considered?</p> <p>A. Given current interest rates, this would not have a material impact.</p> <p>Q. Re going concern, should wording be expanded in light of Covid exceptional circumstances?</p> <p>A. Yes, this can be done.</p> <p>Q. Are we still looking 12 months forward to December 2021 for going concern?</p> <p>A. Yes, 12 months from the date the accounts are approved.</p> <p>Q. What are the different deficit numbers reported.</p> <p>A. Differences are due to pension costs.</p>	

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	<p>Q. Do we have a pension related strategy for the Pension Deficit? A. Pension numbers are volatile. There is a catch up on West Yorkshire Pension Fund currently. There is also an increase in contributions to the Teacher Pension scheme.</p> <p>Q. Why have higher paid staff numbers increased? A. Due to some staff being on a 10 month basis in prior year due to the conversion of new secondary schools.</p> <p>Q. Will the top slice change over time? A. It has come down this year. The increase was due to moving to a centrally based staff structure which gave savings to schools. We do want this charge to be reasonable to attract other schools into the Trust.</p> <p>Q. Do we know what other academies charge. A. This changes trust by trust based on structure and can vary a lot. We can include more explanation in the notes.</p> <p>Q. Do we decide on the top slice annually? A. Yes we do, at budget setting time.</p> <p>Q. Why is depreciation charge this year higher than the previous year? A. It is due to new schools being 10 months not 12 months in prior year and the school roof works impacts.</p> <p>Q. Are note references on page 44 correct? A. These can be updated.</p> <p>Q. Are the actuarial assumptions for the West Yorkshire Pension scheme a given? A. Yes they are, provided by the scheme actuaries.</p> <p>Q. Will the management letter be available for the AGM? A. Yes it will.</p> <p>ACTION 1: Agreed changes to be made by Mr D Butterworth and Mrs C Potterton.</p>	<p>DoF and Mr D Butterworth</p>

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	<p>Mrs C Potterton was thanked for all her work.</p> <p>Mr D Butterworth was thanked for all his work.</p> <p><i>Mr D Butterworth left the meeting.</i></p>	
289.	<p>Matters for any other urgent business</p> <p>There were no items of Any Other Business.</p>	
290.	<p>Minutes of the previous meeting held on 21 September 2020</p> <p>RESOLVED: That the minutes of the meeting held on 21 September 2020 be approved and signed by the Chair as a correct record of the meeting.</p> <p>The following matters arising were noted:</p> <p>(a) <u>Covid-19 Update (Minute 264 refers)</u></p> <p style="padding-left: 40px;">ACTION 2: The CEO to add Mr P Marshall to the distribution list for his daily update.</p> <p>(b) <u>Review of Key Risks (Minute 280 refers)</u></p> <p>Q. Where is Risk Appetite discussed?</p> <p>A. This is discussed when the Risk Register is discussed at the A&RA meeting.</p>	CEO
291.	<p>COVID-19</p> <p>The CEO updated the meeting.</p> <ul style="list-style-type: none"> • Rates of infection have been very high in Kirklees. All schools have been affected. • There were a lot of staff and pupil absences before half term. • No pupil has been seriously ill. • A small number of staff have needed a number of weeks off. • One member of staff and one parent have sadly passed away. The 	

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	<p>member of staff had not been in work since the original lockdown.</p> <ul style="list-style-type: none"> • Transmissions between staff have been low. In the areas traced, this may be related to poor ventilation. • There are lots of Risk Assessments and additional cleaning in schools. Costs related to Covid are escalating. • Learning has continued in the Trust, Secondary schools have remote live lessons and blended learning • Primary schools are submitting work online. • Staff have responded very well and are working very hard, school leaders in particular. <p>Mrs D Howard updated as follows.</p> <ul style="list-style-type: none"> • Children who are isolating have continued to have free school meals. • Everyone is working together in the Trust. <p>Q. Could there be any changes to school holidays. A. The DfE have been very clear that this should not happen</p> <p>The Chair noted thanks to all staff in the Trust and the Trust leadership team.</p>	
292.	<p>Audit Tender Process</p> <p>Mrs C Potterton updated the meeting.</p> <ul style="list-style-type: none"> • The process is progressing well. • Six audit firms were invited to tender of which 5 actually tendered • There was a stringent selection process including 15 questions with weighted responses. The selection panel met and agreed on a shortlist of 3 firms to make presentations. Selection was a robust process. • The 3 shortlist companies will present to the panel on Friday 27 Nov via MS Teams. • Providing a value-added service was a key factor in selection of the 3 companies who will present. • After the presentations, the Selection Panel can make a recommendation for appointment. <p>The Chair clarified the process for appointment.</p>	

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	<ul style="list-style-type: none"> The Selection Panel will make a recommendation to A&RA committee members by email. The A&RA committee members should confirm agreement by email and ask any questions. The A&RA Committee will make a recommendation for appointment to the AGM to be held on 10 December 2020. 	
293.	<p>DBS Status Update</p> <p>Mrs D Howard updated the meeting for information.</p> <ul style="list-style-type: none"> DBS certificates for are renewed every 5 years for all staff in the Trust. Every school is showing progress in completing the updates with 50 staff in the trust being outstanding for DBS renewal currently (8% of staff). There have been no issues with renewal certificates received. Good progress is being made by the Trust. <p>Q. Are all due by 30 November on track? A. Yes, across the trust we are on top of this.</p>	
294.	<p>Policies for review and approval</p> <p>Mrs C Potterton summarised the key changes to the Reserves Policy and the target level for reserves.</p> <p>Q. Is there any way that the level of reserves can be benchmarked to other Academy Trusts? A. Yes this may be able to be done using ESFA information on key metrics.</p> <p>Q. Is the target level of reserves realistic and can these be maintained over the period of the 3 year plan? A. There may be some issues given the current outlook but we have to have a target in place. There is some dependency on the funding allocation in the next round of funding. The target is a starting point to work towards.</p>	

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	<p>ACTION 3: Mrs C Potterton to look at benchmarking reserves for other Academy Trusts.</p> <p>ACTION 4: Mrs C Potterton to amend wording to make it clear that the policy is a target to work towards.</p> <p>RESOLVED: That the Reserves Policy be agreed and adopted subject to agreed amendments.</p>	<p>DoF</p> <p>DoF</p>
295.	<p>Correspondence</p> <p>None</p>	
296.	<p>Any other urgent business</p> <p>None</p>	
297.	<p>Agenda, minutes and related papers – Trust copy</p> <p>RESOLVED: That no part of these minutes, agenda or related papers be excluded from the copy to be made available at the Trust, in accordance with the Freedom of Information Act.</p>	